



## **MEDICAL ASSISTANCE ADMINISTRATION**

# Annual Report

Fiscal Year 1999

# THE ORGANIZATION

## **TITLE XIX ADVISORY COMMITTEE**

**Janet Varon**, *Co-Chair*  
**Robert Wardell**, *Co-Chair*

**Elise Chayet**  
*Washington State Hospital  
Association*

**Janene Jones-Heino**  
*Washington State Pharmacists  
Association*

**Bonnie Kostelecky**  
*Public Health*

**Cindy Lowe**  
*Native American Tribal  
Representative*

**Barbara Malich**  
*Community Health Center*

**Ted Rudd, MD**  
*Washington State Medical  
Association*

**Mark Secord**  
*Community Health Plan*

**Darleen Vernon**  
*Managed Care Plan*

**Raleigh Watts** for  
**Maxine Hayes, MD**  
*Department of Health*

**Jeanette Weyrich**  
*Home Care Association*

**Bruce Yoder, DDS**  
*Washington State Dental Association*

## **OUR MISSION**

Maximize opportunities for  
low-income people to obtain quality  
health care; and make fair, accurate and  
timely disability determinations.

**T**itle XIX of the federal Social Security Act is a program that provides medical assistance through a program known as Medicaid. The Department of Social and Health Services (DSHS) is designated as the single state agency for the Medicaid program in Washington State. Medical Assistance Administration of DSHS has the following executive leadership and operating divisions to administer the purchase and delivery of health care for the state's residents.

Title XIX also prescribes state plan requirements for the establishment of an Advisory Committee to advise the Medicaid agency about health and medical care services. The Medical Assistance Administration extends its appreciation to the dedicated health care professionals and consumer advocates who serve on our advisory committee.

## **THE MEDICAL ASSISTANCE ADMINISTRATION EXECUTIVE LEADERSHIP**

**James C. Wilson**  
**Assistant Secretary**

**Tom Bedell**  
**Deputy Assistant Secretary and  
Director**  
Division of Operational Support Services

**David Cundiff, MD, Medical Director**

**Rich Boyesen, Administrator**  
Office of Information Services

**Phyllis Coolen, Director**  
Division of Health Services Quality  
Support

**Diane Weeden, Acting Director**  
Division of Program Support

**Don Larsen, Director**  
Division of Disability Determination  
Services

**Steven Wish, Director**  
Division of Client Support

# AN OVERVIEW

**I**n 1965, Congress amended the Social Security Act and established the Medicaid Program to provide medical and health-related services for individuals and families with low incomes and resources. Medicaid is the largest program of medical care and related services for our nation's poorest people.

Medicaid is a cooperative endeavor between each state and the federal government and is financed by shared federal and state funds with direct payments to health care providers. Under Medicaid, certain basic services must be offered to mandatory covered groups, e.g., qualified pregnant women and children, and aged, blind, or disabled persons receiving Supplemental Security Income. These basic services include inpatient and outpatient hospital services, physician services, laboratory and x-ray services, health screening and treatment for children, family planning, and nursing facility and home health services for persons age 21 and older. (Nursing facility and other long-term care services are the responsibility of Aging and Adult Services Administration of DSHS.) A state may elect to provide other services. We provide a number of additional services that are medically necessary, as well as cost-effective, including outpatient drugs, dental services, certain therapies, and durable medical equipment, such as wheelchairs.

**I**n Washington, under the Medical Assistance Administration (MAA), we deliver medical services through a fee-for-service system that pays health care providers to serve our clients, and a managed care system (Healthy Options), that pays a monthly premium to licensed health insurance carriers to serve our clients. The majority of our clients are enrolled in managed care, but the majority of our expenditures remain in the fee-for-service area.

Coverage is offered through seven health programs: Medicaid, Medical Care Services, Medically Indigent, Children's Health Program, Medically Needy, State Family Assistance, and Federal Refugee Program. These programs are authorized by chapter 74.09 RCW. As described on page 9, the State Children's Health Insurance Program will also be available in Fiscal Year 2000.

The implementation of welfare reform nationally under the Temporary Assistance for Needy Families (TANF) program, called WorkFirst in Washington, has changed 'welfare' as we know it. WorkFirst requires those who can work to work as a condition for receiving financial assistance, subject to a 5-year lifetime limit. Medicaid, however, continues to be an entitlement program without time limits or work requirements, that is available for low-income working families who don't have access to health care insurance.

MAA is composed of five divisions and two offices with approximately 850 employees. It is the largest purchaser of health coverage for children, low income families, the elderly, and people with disabilities in Washington State.

The central offices of MAA are located in Olympia. There are regional offices in Tumwater, Renton, and Spokane where staff determine eligibility for Social Security disability programs for clients of all economic levels.

# WHO WE SERVE

**T**he Medical Assistance Administration provides a health care safety net for low-income children and pregnant women; families receiving, or related to, Temporary Assistance for Needy Families; the elderly; and disabled persons. During Fiscal Year 1999, almost 720,000 Washington State residents were eligible each month for medical services administered by MAA. Many of these people were members of working families, and more than half did not receive financial grant assistance.



Almost 690,000 people were covered monthly through the Medicaid program. About 60 percent of all MAA clients are children, and almost 30 percent of the state's children have health care paid for by MAA. Medicaid covered about 530,000 people in families, children in low-income families (up to 200 percent of the federal poverty level) and low-income pregnant women (up to 185 percent of the federal poverty level). Almost 160,000 Medicaid clients were low-income older adults and people with disabilities. Medicaid also paid the Medicare premiums and cost-sharing for eligible low-income elderly people.

The remaining clients were eligible for state-administered programs for people with temporary disabilities, emergent medical needs, or children (up to 100 percent of the federal poverty level) who were not eligible for Medicaid. Additional people were also covered under the federally funded Refugee Medical Assistance program.

## AVERAGE MONTHLY ELIGIBLE CLIENTS IN SFY 1999

Medicaid TANF and Related	254,460
Medicaid Children	252,596
Medicaid Pregnant Women	21,977
Medicaid Disabled	103,297
Medicaid Elderly	55,869
Medical Care Services	12,878
Medically Indigent	2,235
State Only Children - Less Than Age 18	13,281
Refugees	1,308
<b>Medicaid Eligibles</b>	<b>688,199</b>
<b>All Other Eligibles</b>	<b>29,702</b>
<b>Grand Total</b>	<b>717,901</b>

## 1999 Federal Poverty Levels

### Gross Monthly Income

Family Size	100%	185%	200%
1	687	1,271	1,374
2	922	1,706	1,844
3	1,157	2,140	2,314
4	1,392	2,575	2,784
5	1,627	3,010	3,254

Unborn Child Counts as 1 Family  
Member for a Pregnant Woman

## HOW WE DELIVER SERVICES

Clients receive services either through enrollment in the Healthy Options managed care program or on a fee-for-service basis. For Healthy Options, we contract with licensed health insurance carriers to provide a defined set of services to enrolled members. Fee-for-service care is delivered by licensed or certified health care providers who have a contract with DSHS to serve our clients. The fee-for-service program covers services to elderly and disabled Supplemental Security Income (SSI) clients, clients exempted from Healthy Options or in state-administered programs, as well as wrap-around Medicaid services not covered by managed care plans.

### *Healthy Options*

The majority of Medicaid clients are enrolled in the Healthy Options managed care program. During Fiscal Year 1999, MAA contracted with 10 health maintenance organizations and health care service contractors to provide needed services. The managed care plans are paid a capitated monthly premium to serve TANF-related families, low-income pregnant women and low-income children.

In all areas possible, clients have a choice of two or more plans. Some rural areas, however, have access to only one plan, and clients may choose the fee-for-service delivery system as an alternative. When the traveling distance to visit the assigned provider is a hardship, or for certain other reasons, clients may be exempted from managed care and receive their services on a fee-for-service basis. American Indians and Alaska Natives also have the choice to receive services under a primary care case management (PCCM) model, where a physician authorizes care but MAA pays fee-for-service.

MAA and the Health Care Authority (HCA) are two of the largest purchasers of health care in the state. MAA and HCA's Basic Health (BH) plan both serve low-income residents and often contract with the same health insurance carriers, thus allowing stronger purchasing power. The two agencies have established "BH Plus" which allows low-income children whose parents are enrolled in Basic Health to receive full-scope Medicaid benefits.

### *Fee-For-Service*

These clients are served by providers across the state on a fee-for-service basis. These providers have agreed to accept the rates established by MAA as total payment for services rendered. They are not allowed to bill clients for any amount above that which they receive from MAA. In Fiscal Year 1999, there were about 14,600 participating providers.

Visit the MAA Website for more information about Healthy Options at: <http://maa.dshs.wa.gov/healthyoptions/>

### Healthy Options Enrollment June 1999

Plans	Total
Aetna	45,424
BHP+	81,209
CHPW	56,381
Clark United Providers	12,891
Group Health	24,793
Kaiser	8,223
Kitsap Physicians	17,113
NW Wash Med Bureau	12,012
PCCM	3,805
Premiera Blue Cross	45,947
Qual-Med	54,344
Regence	57,963
<b>Total</b>	<b>420,105</b>

# REACHING OUT TO COMMUNITIES

The make-up of MAA's client population has been growing and changing. The largest growth has been in the children's coverage, which has increased from less than 45,000 children in Fiscal Year 1992 to more than 250,000 in Fiscal Year 1999. This increase is a direct result of Medicaid expansion to cover children in low-income working families (up to 200 percent of the federal poverty level).

We have taken steps to eliminate barriers to obtaining Medicaid coverage for children. These include: a one-page application form; mail or phone applications; elimination of assets tests; one-year continuous eligibility; and coordination with the Health Care Authority for Medicaid coverage of children whose parents are in Basic Health.



The 1998 Legislature authorized MAA to spend about \$4 million in enhanced federal funds with local matching funds to support community-based Medicaid outreach efforts by contracting with local public agencies to identify and enroll clients eligible for Medicaid benefits. Target populations are low-income individuals and families; pregnant women; children of the working poor; ethnic and rural populations; and homeless persons. The projects began operations during the last quarter of 1998. There were 29 contracts statewide, of which 21 were in health districts, two with county governments and six with tribal authorities. This program was one of the first nationally to take advantage of funding provided by the 1996 federal welfare reform law. It was a national pacesetter in community-based outreach efforts coordinated by local public agencies.

MAA also collaborated with staff from the Superintendent of Public Instruction and the Children's Alliance to revise the Free & Reduced School Lunch Application. It now includes a box for families to check if they are interested in receiving information about Medicaid and other health insurance for children. There are 15 school districts statewide participating in this school pilot and using the new multi-use application.

Children deserve access to the health care services necessary to develop a healthy mind and body so they can gain the education necessary to become healthy, productive adults. If you know a child in a low-income family who does not have this benefit, help them out. Refer them to their local Community Services Office, or call toll free 1-877-KIDS-NOW (1-877-543-7669) for eligibility information.

Visit the MAA Website for more information about Client Outreach and other programs at:  
<http://maa.dshs.wa.gov/outreach/>

# INVESTING IN THE FUTURE

## Maternity Access - It's a GOOD Investment

Thanks to the First Steps program, low-income pregnant women are usually eligible for Medicaid. According to the latest state-wide data, over 41 percent of all births in Washington State were covered under Medicaid. The newborn child has access to routine well child checkups for the first year of life with all appropriate immunizations and a medically sound beginning.

In the years since the First Steps program started in 1989, Washington has realized success in reducing the rate of low birthweight babies for Medicaid women and the incidence of late or no prenatal care. Washington has also experienced significant decreases in infant mortality. In particular, the high infant mortality rates in some historically high-risk groups, such as American Indians, were reduced even more.

In 1997, the statewide infant mortality rate was 5.6 deaths per 1,000 live births, a rate more than one-third lower than the 8.7 deaths per 1,000 births seen in Fiscal Year 1989. Medicaid women receiving financial assistance experienced declines in infant mortality similar to the statewide decreases, and the infant mortality rate for the Medicaid expansion group of women was similar to the statewide average.



Call the Family Planning Hotline at 1-800-770-4334  
for information and referral services.

## Family Planning

Washington State data indicate that 55 percent of all pregnancies are unintended. This percentage is even higher for low-income women whose births are paid for by Medicaid. The incidence of unintended pregnancies has a significant social and financial toll on the Medicaid program and its clients.

The Medical Assistance Administration covers a full range of family planning services for low-income women. These services include all FDA approved contraceptives, sterilization, educational and social services. (Only 1 in 4 women covered by commercial health plans has access to contraceptives.) Additionally, for women who become eligible because of pregnancy, the state-funded family planning extension provides 10 additional months of coverage for family planning services only.

MAA has implemented several actions to reduce the rate of unintended pregnancies. We have begun reimbursing pharmacists for counseling and distribution of emergency contraceptive pills to women who have had unprotected intercourse within the past 72 hours. We are linking with the WorkFirst program to provide family planning services or referrals to clients, and we continue to work with DSHS Community Services Offices regarding onsite family planning clinics. A federal waiver request has also been submitted seeking approval to provide family planning services prior to pregnancy. The target population would be persons with incomes at or below 200 percent of the federal poverty level, and the state legislature has authorized MAA to administer the waiver upon federal approval.

Visit the MAA Website for more information about First Steps and Family Planning at:  
<http://maa.dshs.wa.gov/firststeps/> OR <http://maa.dshs.wa.gov/familyplan/>

# QUALITY OF SERVICES

The population of children being served through Medicaid continues to grow. Early intervention through EPSDT (Early and Periodic Screening, Diagnosis, and Treatment; also called Healthy Kids in Washington State) for routine childhood immunizations, checkups and treatment is essential to starting a young child on the path towards a healthy productive life.



Under contract with MAA, the Oregon Medical Professional Review Organization (OMPRO) conducted an independent, external review in 1999 of EPSDT services provided in 1998 by Healthy Options managed care organizations (MCOs) as well as fee-for-service providers. OMPRO has conducted similar studies of MCOs in previous years, but this review included an analysis of performance by fee-for-service providers. The report identified several key findings and key recommendations to improve the quality of services in both service delivery settings.

OMPRO also conducted a separate Medicaid client satisfaction survey using the Consumer Assessment of Health Plans Survey (CAHPS) questionnaires. Medicaid clients indicated higher levels of satisfaction with their health care in the 1998 CAHPS survey compared to results of the 1997 survey. For example, parents of Healthy Options children reported that their children got to see their doctors more quickly. The 1998 results were the first shared with clients. The 1999 survey has been completed and is also available.

MAA prepared a report to help MCOs improve their health practices and allow state agency leadership, consumers and other stakeholders to gain more insights. The Health Plan Employer Data and Information Set (HEDIS, a registered trademark of the National Committee for Quality Assurance) is one component of an accountability system in managed health care. MAA and the Health Care Authority selected six HEDIS measures (out of more than 50 measures) considered relevant for the state-insured populations, and required all the contracting MCOs to collect and report the data to MAA. The data show how MCOs performed and compare on single HEDIS measures and across all measures.

Under contract with MAA, PRO-West reviewed medical charts and administrative data to evaluate postpartum care and family planning services. Applying the HEDIS standard, PRO-West found that 40 percent of women in managed care plans and in fee-for-service receive a postpartum visit between 21 and 56 days following delivery. However, using a more relaxed standard of a postpartum visit any time up to 90 days after delivery, the rate goes up to about 55 percent. The study also found that 59 percent of Healthy Options women and 45 percent of fee-for-service women received family planning services within 90 days of delivery.

Copies of these reports are available from the Division of Health Services Quality Support. These reports and others are part of a broad program of quality measurement. One of the goals of quality measurement is to make performance-reporting more comprehensible and useful to all parties. MAA is committed to using these results and working collaboratively with all interested parties to improve the care and health of clients.



# CHIP - Children's Health Insurance Program

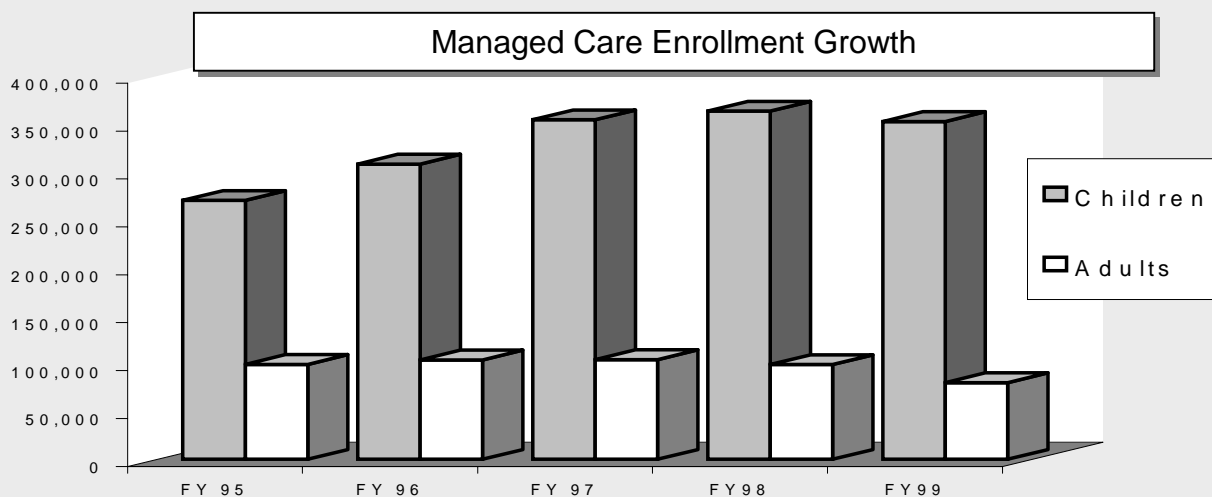
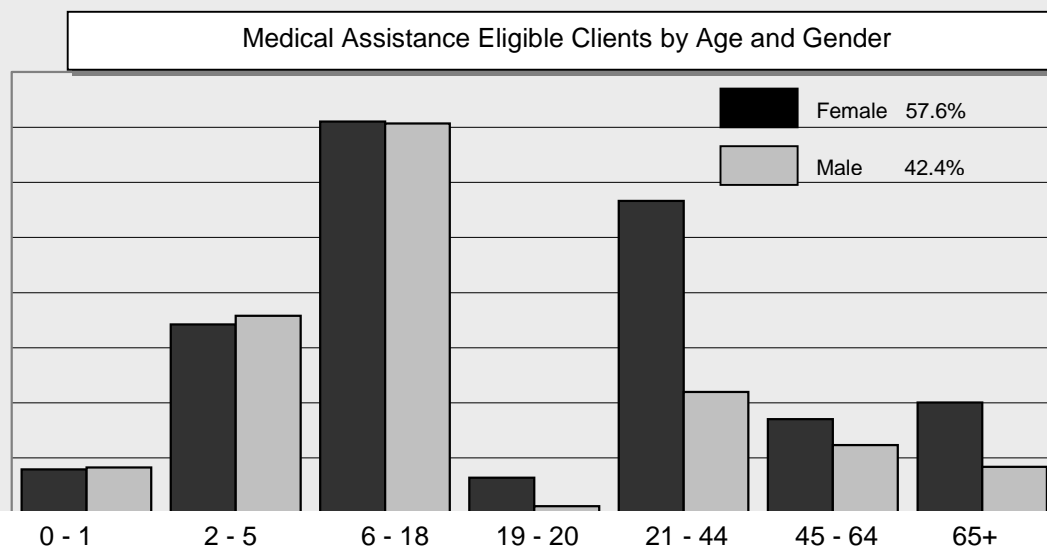
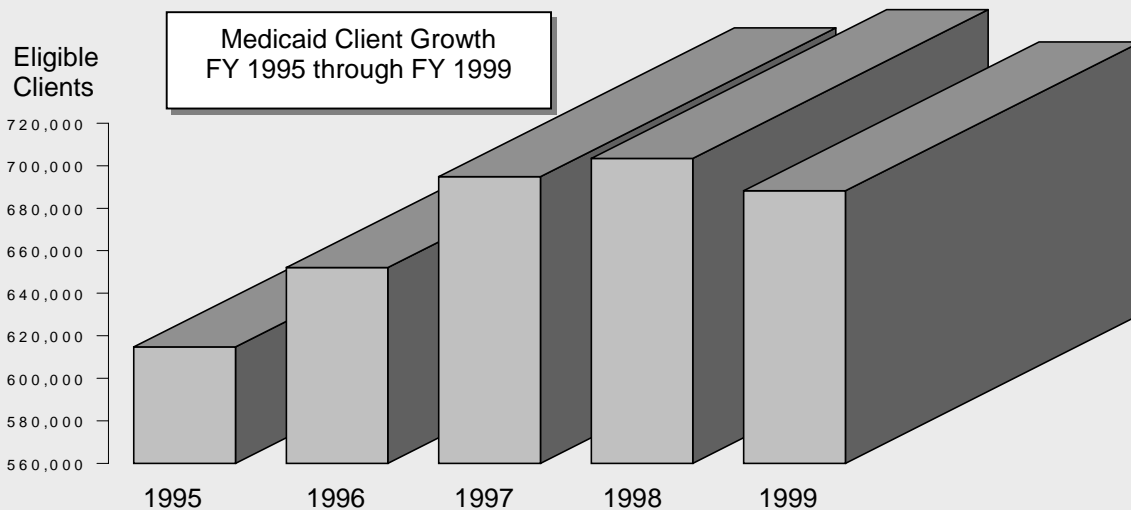
**On May 17, 1999, the Governor signed legislation enacting the State Children's Health Insurance Program (CHIP), expanding health coverage for children in the state.**

**The following is a brief summary of CHIP in Washington State:**

- CHIP is a program operated by the state, in partnership with the federal government under Title XXI of the Social Security Act. The federal government pays 66.28 percent of CHIP expenditures and the state pays 33.72 percent.
- In Washington State, CHIP is a non-entitlement program and serves uninsured children under age 19 in families with income between 200 percent to 250 percent of the Federal Poverty Level (FPL) or between \$2,842 and \$3,553 income per month for a family of four in the year 2000.
- The Medical Assistance Administration (MAA) administers the CHIP program. A plan for the program was submitted to the Health Care Financing Administration (HCFA) on June 29, 1999 and was approved on September 8, 1999.
- MAA started serving children under the CHIP program in February of 2000.
- The scope of services is the same as Medicaid for children.
- The children covered under CHIP receive their medical services from a managed care plan or on MAA's fee-for-service program. In addition, they receive certain other covered services, including dental, eyeglasses, and maternity support on a fee-for-service basis only.
- Families share in the costs of the program by paying a monthly premium and a co-pay amount for certain services. American Indians and Alaska Native clients are exempt from copays and premiums.

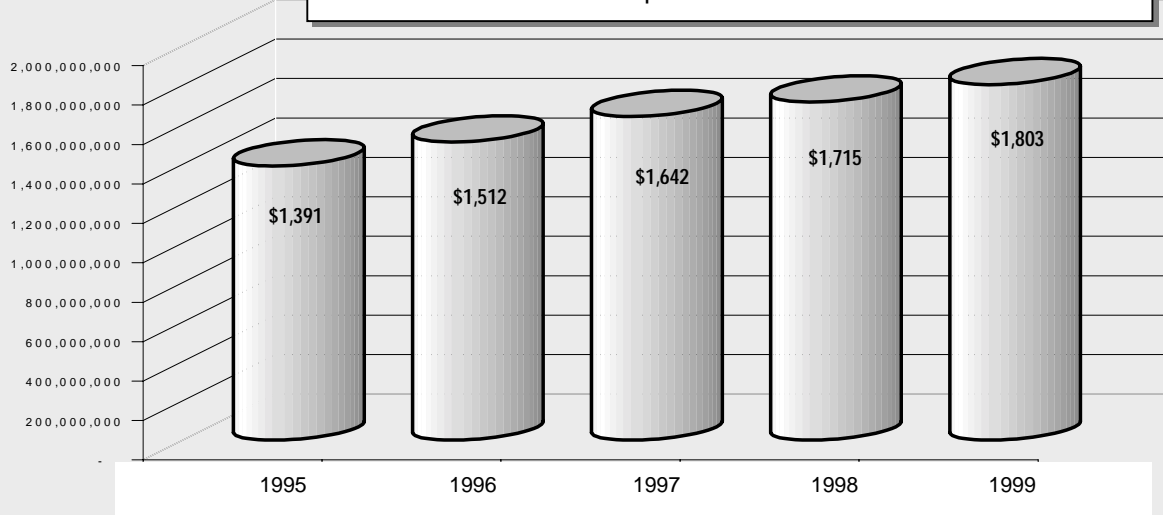
Visit the MAA Website for more information about CHIP at:  
**<http://maa.dshs.wa.gov/chip/>**

# Fiscal Year 1999



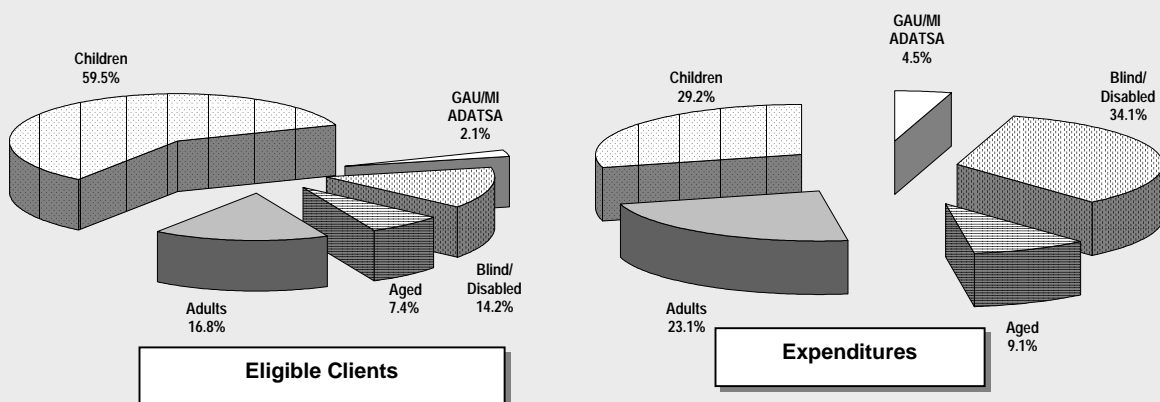
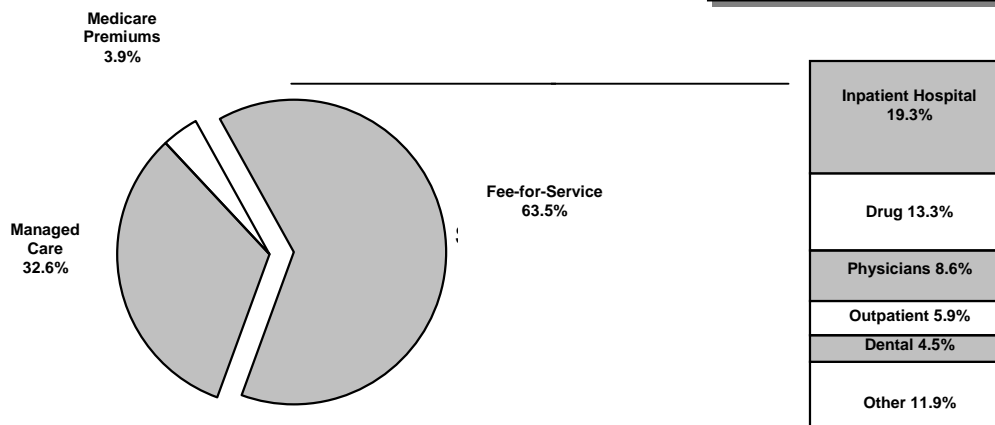
# Fiscal Year 1999

Medical Assistance Expenditure Growth FY 1995 - FY 1999



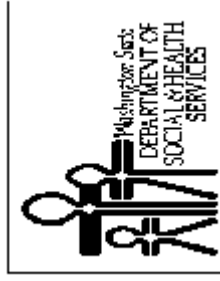
Total FY 1999 Expenditures  
\$1.8 Billion

Total Fee-for-Service  
\$1.1 Billion



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This report gives you an overview of the MAA's 1999 fiscal year. We will soon be updating our website at <http://maa.dshs.wa.gov/annual/> where you will be able to find more technical data relative to FY 1999 and other topics of interest. For additional copies of this report, please visit our MAA Website or write, fax, or e-mail:

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